

HB 2446: Extend Capital Gains Tax Exemption for Certain Sales of Manufactured Home Parks

HB 2446 would extend the current capital gains tax exemption on the sale of manufactured home parks by park owners to their residents or to nonprofits or housing authorities. The bill would extend the sunset from 2014 through 2020.

Objective: Continue to incentivize the sale of manufactured home parks to park residents and nonprofits.

Key Points:

- The tax exemption is for park sales to residents, housing authorities, or to non-profits. It encourages park landlords, if they wish to sell their parks, to sell to entities that will preserve the park, not close it, and limit future rent increases.
- The tax exemption is supported by the Manufactured Housing Landlord Tenant Coalition, which is a group of park owners and residents who collaborate to pass consensus legislation designed to protect and improve park communities.
- The tax exemption was created by a bill sponsored by Rep. Jerry Krummel (R-Wilsonville) passed in 2005 to help address the crisis caused by closure of manufactured home communities. The bill was revised and extended in 2007 by the Manufactured Home Park Landlord Tenant Coalition.
- The tax exemption is an important tool for preserving affordable park communities.
- Oregon is establishing a successful program of resident and nonprofit park purchase and ownership. Resident or nonprofit ownership is the best way to address the twin risks to residents of rent increases or park closures.
- This bill would not create a new tax exemption. It only maintains the current tax incentive, which was adopted in 2005 and then extended in 2007.
- The Department of Revenue has estimated that between 2006 and 2010 the total revenue impact to the state was “about \$500,000.” The Governor estimates that during the next two biennia, the cost impact will be less than \$100,000 each.
- The public benefit to facilitating resident or non-profit owned parks, with the accompanying permanent commitment to affordability and pride of ownership, is of lasting and great value to the state.
- The Governor has recommended the extension.
- The capital gains exemption for sales to residents, etc., is found in small print following ORS 316.791 and 317.401. Original source: 2005 Oregon Laws c. 826 (6) through (9) and 2007 Oregon Laws c. 906 (21) and (22).